



EXHIBIT 16
DATE 1-15-07
HB 2

Appropriations Sub-Committee – Health and Human Services
Testimony – January 15, 2007

For the record my name is Geoff Birnbaum and I am the Executive Director of Youth Homes and also co-operate the Partnership for Children with Intermountain Children's Home. Together these two organizations serve over 230 children, ages 2 to 18, each day in a variety of out of home settings, from shelter care to foster care to treatment homes to adoption. We employ over 180 folks and utilize close to 100 foster families. In our 36 year history we have served over 8000 Montana children and their families.

Today I stand before you to talk about rates again. I am here to tell you we need your help to continue to make progress on a fair rate for the services we provide to some of the neediest of Montana's children and their families. And that hopefully being done we will still need the State to develop a rate system that would clarify how and when rates would and should be adjusted.

Attached is a chart of rates from FY 95 to FY 07 with projections from the proposed state budget and a proposal from MCI, the provider association for 19 children's mental health service agencies. Our proposal is for the State to award 5% increases in out of home care in each of the two years of the biennium.

During the last session, the Legislature generously awarded us a 6% rate increase in Medicaid rates and a 1.5% increase in room and board rates (and in services we provide solely through the State Foster Care budget. While appreciated the 6% increase barely covered COLA increases in the past two years of 2.8% and 3.3%. What the chart shows, in the worst case scenario, is a loss of \$42.17 each day against the COLA during the 12-year period of 1995 through 2007 when a child is served in an "intensive therapeutic group home." This amounts to a loss against inflation of \$15,585 per child per year for a provider.

If the legislature gives us the 2.5% increase *effective July 1, 2007*...based upon the proposed State Budget we will surely fall further behind the CPI in the next two years.

If you will look at the chart – I just want to point out a few additional facts:

1. Rates, even in FY 95 were not based upon an actual cost of providing the care and treatment required and was far below private rates for such care.
2. Rates for community-based treatment have raised only 5-18% during the past decade while the cost of living has risen over 33% in the same period.
3. The results are an increased daily shortfall in the past decade of from \$ 19.39 (therapeutic foster care) to \$19.12 (campus treatment homes) to \$42.17 (intensive group care) per day.

4. Meanwhile, compared to fees going up by a total of 5-19% in the past 12 years during that same period health insurance costs are up 275% and gasoline prices are up 110% while liability insurance rates are up 400% and utilities are up 95%. Starting wages are up 40% and while we support that we cannot keep up if rates don't keep up with the costs.

Well, enough with the numbers. It's all pretty dry but it is important. Because all these numbers add up to the stability and security that caretakers need in order to pass that stability and security on to children who have lived in chaos, maybe never known true safety, often never started and finished school in the same year in the same school and definitely deserve staff who are qualified, talented and there at least as long as the child will be. For this to happen we, as caretakers, need the resources to do our job and for that I am asking for your reasonable help.

I believe the health of our staff is directly proportionate to the quality of the care and treatment our children receive. We support the maintenance of the direct staff wage increase and would love to see it raised again. We need it to apply to all direct care staff in child caring agencies, including those in non-Medicaid facilities such as shelter care homes.

Please consider rate increases that go past the COLA projections ahead and allow us to make progress for us to cover our costs, increase staff wages and better serve the children of Montana. Again our proposal is for the State to award 5% increases in out of home care in each of the two years of the biennium.

Thank you.

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